Cheaper home loans

555. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether Government has decided in favour of home loans at cheaper rate for the common man;

(b) if so, how far this rate shall be cheaper and beneficial to the common man;

(c) how these loans shall be recovered from the common man even after suffering from floods, storm, earthquake and drought conditions in the country;

(d) whether there is a proposal under active consideration of Government to recover the loan amount from the farmers at this new cheaper rate;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINSITER OF STATE IN THE MINISTR OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The interest rate on loans including housing loans have been deregulated since October 18, 1994. However, home loans below Rs. 20 lakh under special rural housing schemes and to Self Help Groups can be availed at below the Benchmark Prime Lending Rate (BPLR). With respect to housing for the poor, in the budget announcements for 2008-09, the Government has decided to enhance the subsidy per unit in respect of new houses sanctioned under the Indira Awas Yojana (IAY). Public Sector Banks could include IAY houses under the Differential Rate of Interest (DRI) Scheme & land upto Rs. 20,000 per unit at an interest rate of 4 per cent per annum.

(c) to (e) According to reports from the banks, hosues constructed with bank finance are generally insured against possible damage due to natural calamities. Furthermore,in case of natural calamities such loans can be rescheduled as per the existing guidelines of the RBI.

(f) Does not arise.

Country-wide strike by public sector banks employees

556. SHRI D. RAJA : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the public sector banks employees under the banner of the United Forum of Bank Unions (UBFU) had gone on a country-wise strike on January 25 and likely to go again on February 25 and 26 strongly protesting against Government policy of merger and acquisition being followed in the banking industry; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) On the call of United Forum of Bank Unions (UFBU), the employees of Public Sector Banks (PSBs) were on strike for a day on the 25th January, 2008, on issues including the issue of merger of PSBs. The strike call given by UFBU for 25th February & 26th February, 2008 was called off on reaching an agreement with Indian Banks' Association that both parties agreed to set a definite time frame for holding discussions on each of the issues.